

Minnesota Health Insurance Exchange

IT Vendor Contract – By the Numbers

The Minnesota Health Insurance Exchange will be an online health insurance marketplace where Minnesotans can compare benefits and costs and determine what health care benefits they are eligible to receive. It will provide all Minnesotans with affordable options to buy health insurance. The exchange will serve people who purchase insurance on the private market as well as those who get their health care through publicly-funded programs like Medicaid or MinnesotaCare.

The contract announced today is for the technology backbone for the health insurance exchange, including a customer-friendly website that will help more than 1.2 million Minnesotans choose the best insurance options for themselves and their families. It represents a major milestone toward designing and implementing a health insurance exchange that will provide all Minnesotans with better access to affordable, good quality health insurance.

The total contract cost is \$41 million. Over 93% of the costs of building the exchange will be borne by the Federal Government. The 7% of the costs that fall to the state will be paid by the Minnesota Department of Human Services from existing appropriations. Federal matching payments to the Department of Human Services will contribute to the technology costs related to streamlining eligibility and enrollment for public programs like Medicaid. Federal grants to the Department of Commerce will pay for the technology costs for private market users.

Minnesota's state-of-the-art health insurance exchange is projected to save Minnesota families who use it an average of \$500 per year, and provide health insurance to 300,000 Minnesotans who currently don't have coverage.

BY THE NUMBERS

Total Cost:	\$41,246,226
Total Federal Share of cost:	93.11%
Total State Share of cost:	6.89%

Percentage of the Exchange costs estimated to be related to publicly-funded programs:	56.3%
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Percentage of the Exchange costs Estimated to be related to private insurance:	43.7%
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Contract cost breakdown:	
DHS federal share (matching funds):	\$20,368,006
DHS state share:	\$2,843,157
Commerce federals grants:	\$18,035,063

For more detailed descriptions of the contract and how the health insurance technology will be developed, please see the health exchange information technology contract on the [Minnesota Department of Commerce website](#). Click on the "contracts" tab.